

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6687**

**BILL NUMBER:** HB 1343

**NOTE PREPARED:** Jan 11, 2008

**BILL AMENDED:**

**SUBJECT:** Health Insurance Coverage for Children under Age 24.

**FIRST AUTHOR:** Rep. Ripley

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill specifies that children less than 24 years of age must be covered under a policyholder's, certificate holder's, or subscriber's health plan upon request.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** The bill would affect the state to the extent that the state contracts with a health maintenance organization (HMO) for health services. Welborn HMO Plan is available to state employees that live or work in Daviess, Dubois, Gibson, Knox, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick Counties. In order to provide the coverage necessary to meet the proposal, Welborn could experience an increase in costs that may be passed on to the state. The specific impact is currently indeterminable. (Additional information will be provided when it becomes available.)

Any increase may not necessarily imply additional budgetary outlays since the state's response to increased health benefit costs may include (1) greater employee cost-sharing in health benefits; (2) reduction or elimination of other health benefits; and (3) passing costs onto workers in the form of lower wage increases than would otherwise occur. It is unknown at this time the extent to which the state would pass the costs on to employees.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** School corporations and local governments purchasing health benefit coverage could incur increased expenditures. The specific impact is indeterminable, but would depend on current health care coverage. It is unknown the extent to which local units would pass the cost on to

employees, as cost sharing of health benefit premiums varies widely by locality.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Personnel Department.

**Local Agencies Affected:** Local governments and school corporations.

**Information Sources:** State Personnel Department.

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